

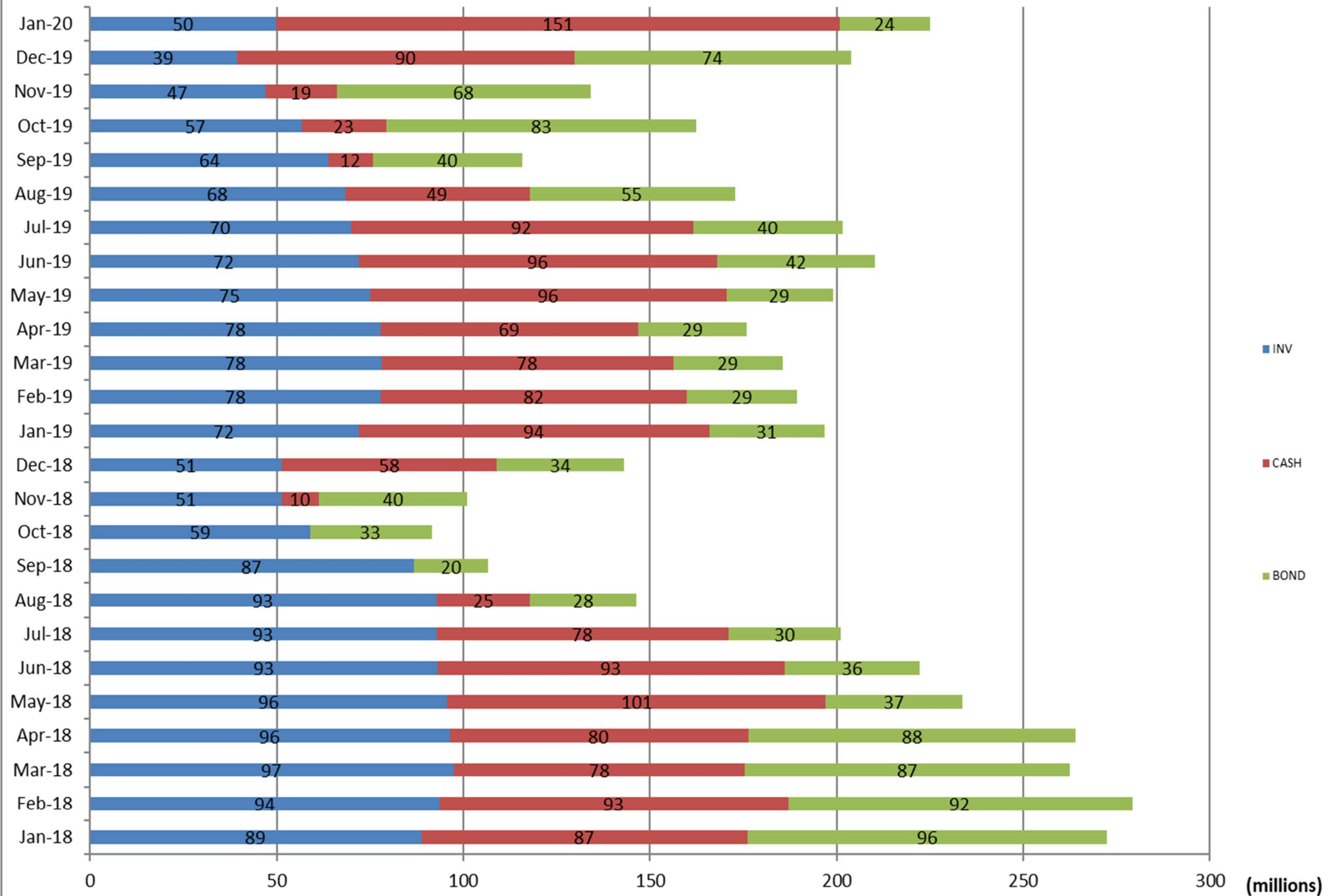
# Louisville Metro Investment Council



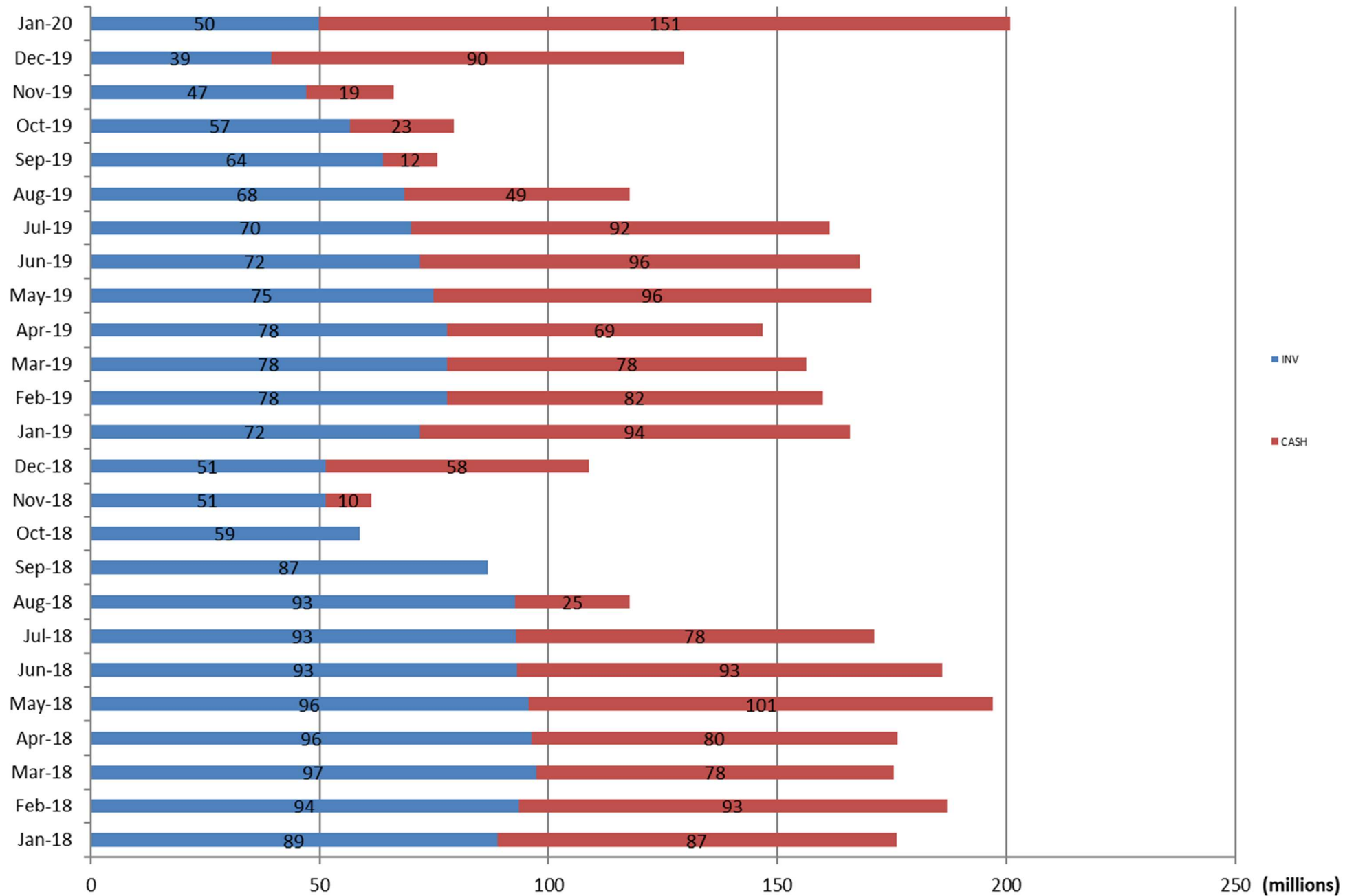
February 21, 2020

# **PORTFOLIO COMPOSITION**

# Metro Total Cash Position as of 1/31/20



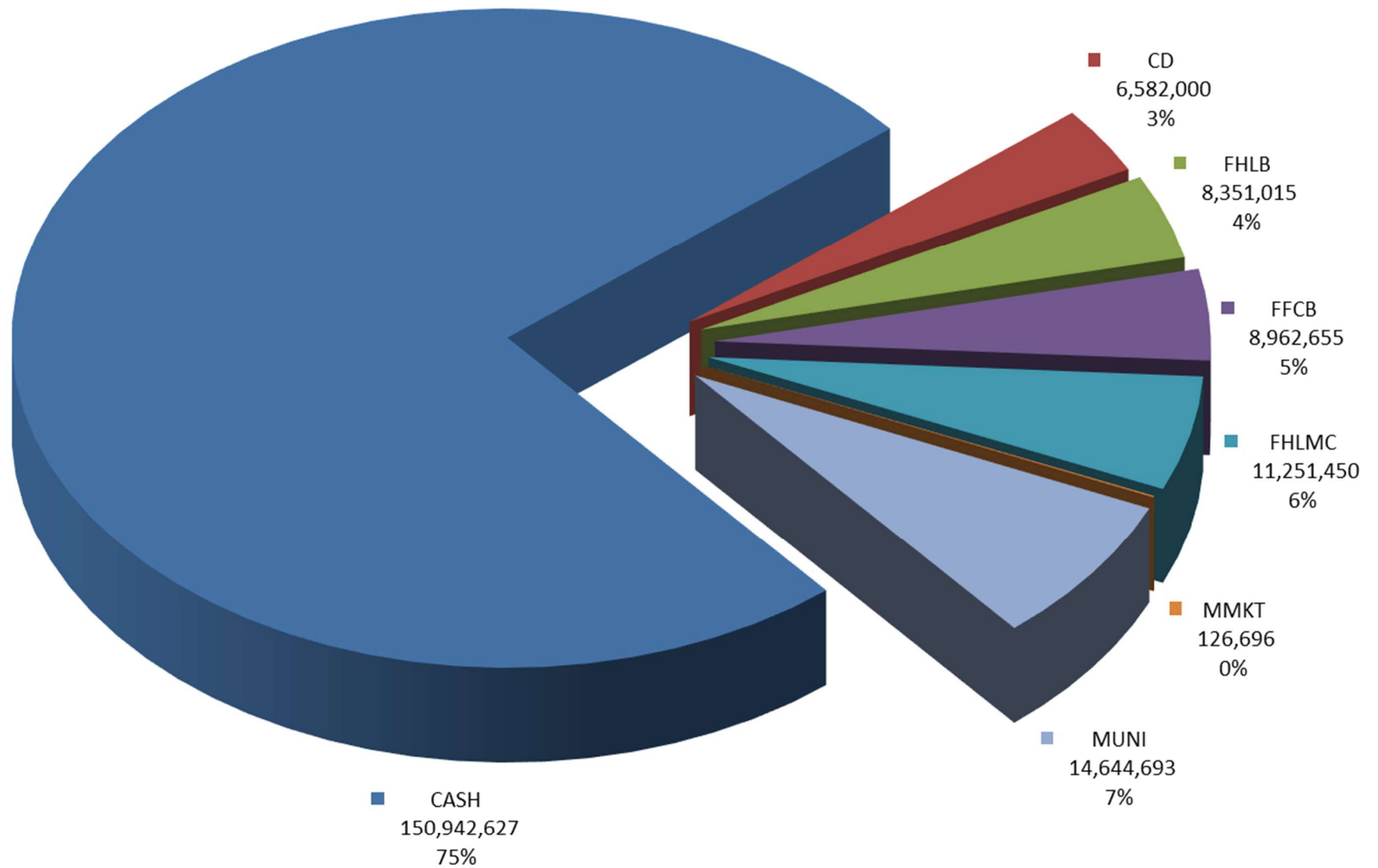
## Metro Cash Position (Excluding Bond Proceeds) as of 1/31/20



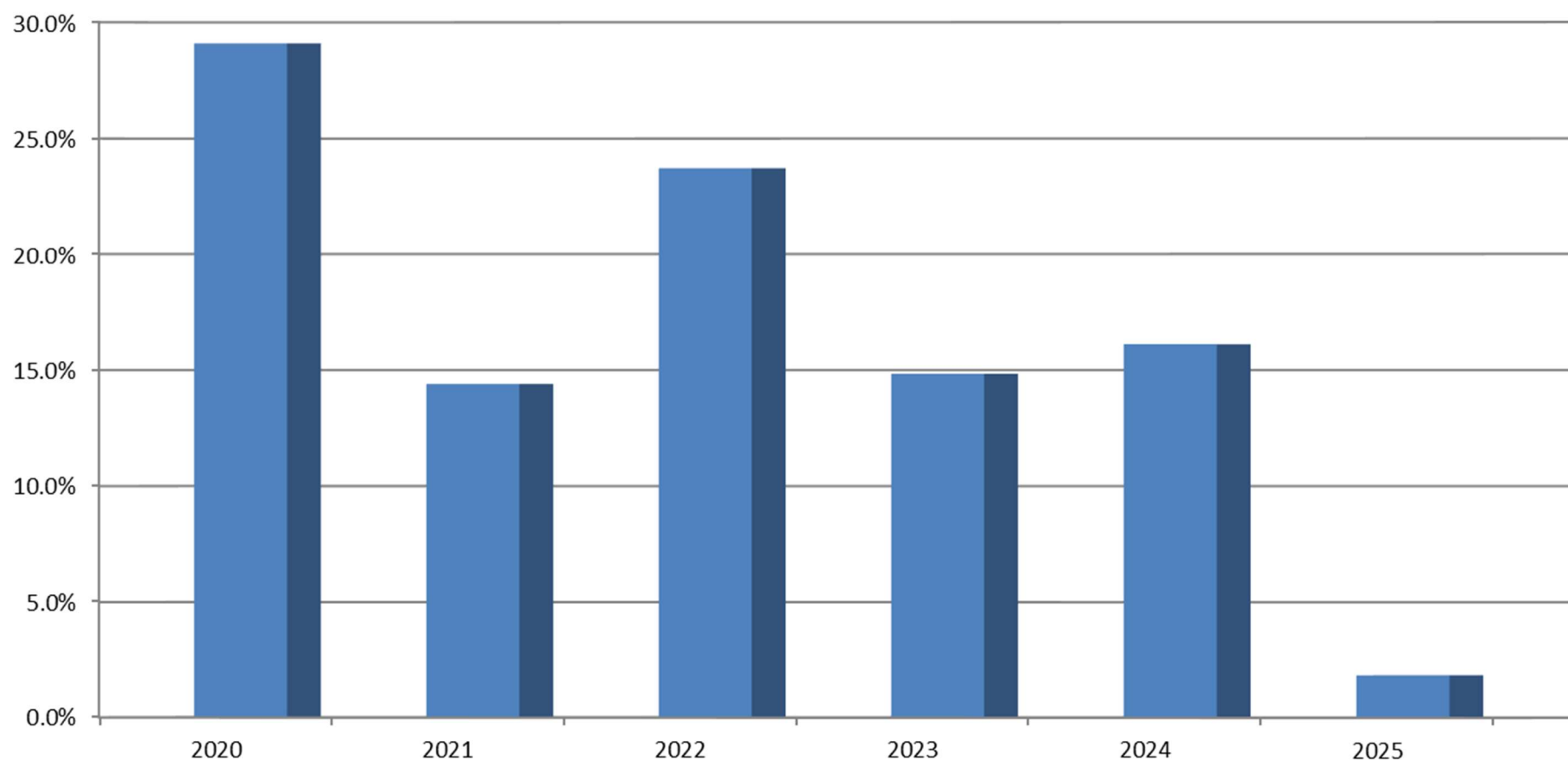
**Acc Int / Amort / Mkt Val**  
**Lou / Jeff Cty Metro Finance**  
 Effective Interest - Callable Life  
 Receipts in Period  
 1/31/2020

	Invest Number	CUSIP	Security Description	Call Date	Purchase Date	Ending Par Val/Shares	Ending Amor Val/Cost	Ending Market Val	Amortization Purch/Date	PTD Purch Received	Int/Div Rec Purch/Date	Int/Div Accrued Purch/Date	Purch Int + Acc Int
Cash	AR-0046	METRO CONC 53- 714868609	Cash Account	Open	09/22/08	135,305,328.78	135,305,328.78	135,305,328.78	0.00	0.00	2,396,623.47	0.00	0.00
	AR-0054	METRO SAFEKEEPING - 1050996303	Cash Account	Open	2/23/16	15,637,298.38	15,637,298.38	15,637,298.38	0.00	0.00	169,760.08	49,140.12	49,140.12
	<b>Cash Total</b>					<b>150,942,627.16</b>	<b>150,942,627.16</b>	<b>150,942,627.16</b>	<b>0.00</b>	<b>0.00</b>	<b>2,566,383.55</b>	<b>49,140.12</b>	<b>49,140.12</b>
Certificate of Deposit	18-0058	211163GW4	CONT BANK UTAH 2.10 07/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	10,500.00	87.50	87.50
	18-0059	55266CYB6	MB FINL BK ILL 2.35 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	11,750.00	81.60	81.60
	18-0060	58404DBA8	MEDALLION BK UTAH 2.40 01/26/22	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	12,000.00	83.33	83.33
	18-0061	857894WJ4	STEARNS BK MINN 2.20 01/26/21	Open	01/26/18	250,000.00	250,000.00	250,000.00	0.00	0.00	11,006.41	76.39	76.39
	18-0062	27113PCG4	EAST BOSTON SVGS 2.30 07/30/21	Open	01/30/18	250,000.00	250,000.00	250,000.00	0.00	0.00	11,500.00	31.94	31.94
	18-0065	501798LQ3	LCA BANK CORPORATION 2.60 02/28/22	Open	02/28/18	246,000.00	246,000.00	246,000.00	0.00	0.00	9,567.71	2,789.37	2,789.37
	18-0067	856285JS1	ST BK IND NYC 3.00 03/06/23	Open	03/06/18	246,000.00	246,000.00	246,000.00	0.00	0.00	11,100.33	3,034.00	3,034.00
	18-0068	254673MW3	DISCOVER BANK 2.65 03/08/21	Open	03/07/18	246,000.00	246,000.00	246,000.00	0.00	0.00	9,805.29	2,643.82	2,643.82
	18-0070	75272LAD8	RANDOLPH SAVINGS BANK 2.60 03/09/22	Open	03/09/18	246,000.00	246,000.00	246,000.00	0.00	0.00	9,620.28	2,576.17	2,576.17
	19-0020	86789VXR3	SUNTRUST SILC 3.00 08/12/22	Open	02/12/19	248,000.00	248,000.00	248,000.00	0.00	0.00	5,564.71	1,651.07	1,651.07
	19-0021	38148P5B9	GOLDMAN SACHS NYC 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	21.23	3,843.15	3,652.05	3,673.28
	19-0022	61690UEH9	MORGAN STANLEY, SALT LK CITY 3.05 02/14/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,781.16	3,572.26	3,572.26
	19-0023	949763XD4	WELLS FARGO SIOUX FALLS 3.10 02/13/24	Open	02/14/19	250,000.00	250,000.00	250,000.00	0.00	20.50	7,091.80	387.50	408.73
	19-0025	06426KBA5	BANK OF NEW ENGLAND SALEM 2.85 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	6,519.86	312.33	312.33
	19-0026	17312Q2V0	CITIBANK SIOUX FALLS 3.00 02/15/24	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	3,493.15	3,493.15
	19-0028	48128HGA0	JPMORGAN CHASE COLUMBUS 3.00 02/15/23	Open	02/15/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	3,493.15	3,493.15
	19-0029	87270LBU6	TIAA FSB JACKSONVILLE 3.00 02/22/24	Open	02/22/19	250,000.00	250,000.00	250,000.00	0.00	0.00	3,719.18	3,349.32	3,349.32
	19-0038	CD423	METRO 2.00 05/07/20	Open	05/07/19	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	13,424.67	1,333.33	1,333.33
	19-0040	CD075	METRO 2.00 06/07/20	Open	06/07/19	1,000,000.00	1,000,000.00	1,000,000.00	0.00	0.00	11,726.04	1,333.33	1,333.33
	20-0001	CD1499	YCB 0.149 08/23/20	Open	09/23/19	250,000.00	250,000.00	250,000.00	0.00	0.00	93.43	40.35	40.35
	20-0002	CD772	METRO 1.80 10/07/20	Open	10/07/19	100,000.00	100,000.00	100,000.00	0.00	0.00	453.71	120.00	120.00
	<b>Certificate of Deposit Total</b>					<b>6,582,000.00</b>	<b>6,582,000.00</b>	<b>6,582,000.00</b>	<b>0.00</b>	<b>41.73</b>	<b>160,506.09</b>	<b>34,141.96</b>	<b>34,141.96</b>
FFCB	17-0010	3133EGNK7	FFCB 1.32 07/27/20	Open	07/27/17	3,000,000.00	3,000,000.00	2,997,750.00	0.00	0.00	138,600.00	440.00	440.00
	17-0077	3133EHMG5	FFCB 1.80 03/12/21	Open	09/12/17	2,000,000.00	2,000,000.00	2,000,040.00	1,400.00	5,000.00	81,000.00	13,900.00	14,900.00
	19-0014	3133EJP60	FFCB 3.00 05/02/23	Open	01/29/19	2,000,000.00	2,020,311.05	2,098,460.00	-5,888.95	14,500.00	60,000.00	14,833.33	29,333.33
	19-0017	3133EGJ22	FFCB 2.00 11/16/23	Open	01/29/19	2,000,000.00	1,942,344.17	2,000,040.00	14,344.17	8,111.11	40,000.00	8,333.33	16,444.44
	<b>FFCB Total</b>					<b>9,000,000.00</b>	<b>8,962,655.22</b>	<b>9,096,290.00</b>	<b>9,855.22</b>	<b>27,611.11</b>	<b>319,600.00</b>	<b>37,506.66</b>	<b>61,117.77</b>
FHLB	17-0046	3130AAQV3	FHLB 1.67 04/30/20	Open	01/30/18	2,400,000.00	2,400,000.00	2,400,768.00	0.00	6,828.44	120,240.00	111.33	334.00
	19-0006	3130AFE78	FHLB 3.00 12/09/22	Open	01/29/19	2,000,000.00	2,018,757.94	2,090,960.00	-8,242.06	9,861.11	65,500.00	8,666.67	22,500.00
	19-0018	3130A9BK6	FHLB 1.80 09/01/23	Open	01/29/19	2,000,000.00	1,932,257.39	2,000,020.00	17,857.39	14,800.00	36,000.00	15,000.00	29,800.00
	20-0015	3130AHWX7	FHLB 1.64 07/22/22	Open	01/22/21	2,000,000.00	2,000,000.00	2,002,060.00	0.00	0.00	0.00	637.78	820.00
	<b>FHLB Total</b>					<b>8,400,000.00</b>	<b>8,351,015.33</b>	<b>8,493,808.00</b>	<b>11,615.33</b>	<b>31,489.55</b>	<b>221,740.00</b>	<b>24,415.78</b>	<b>53,454.00</b>
FHLMC	17-0016	3134G9W37	FHLMC 1.45 08/10/20	Open	11/10/16	1,500,000.00	1,500,000.00	1,498,755.00	0.00	0.00	65,250.00	10,331.25	10,331.25
	19-0010	3134GSTN5	FHLMC 3.00 08/17/22	Open	08/17/20	1,250,000.00	1,251,450.27	1,258,075.00	-2,612.23	16,875.00	37,500.00	17,083.33	33,958.33
	19-0031	3134GSW43	FHLMC 2.70 02/28/22	Open	02/28/20	1,500,000.00	1,500,000.00	1,500,450.00	0.00	0.00	20,250.00	17,082.40	17,082.40
	20-0016	3134GU5X4	FHLMC 1.75 01/29/24	Open	07/29/20	2,000,000.00	2,000,000.00	2,001,120.00	0.00	0.00	0.00	194.44	194.44
	20-0017	3134GU5Y4	FHLMC 1.75 01/29/24	Open	07/29/20	2,000,000.00	2,000,000.00	2,001,120.00	0.00	0.00	0.00	194.44	194.44
	20-0018	3134GU5W6	FHLMC 1.65 01/30/23	Open	07/30/20	1,000,000.00	1,000,000.00	1,000,570.00	0.00	0.00	0.00	45.83	45.83
	20-0019	3134GU5Y2	FHLMC 1.80 07/30/24	Open	07/30/20	2,000,000.00	2,000,000.00	2,000,020.00	0.00	0.00	0.00	100.00	100.00
	<b>FHLMC Total</b>					<b>11,250,000.00</b>	<b>11,251,450.27</b>	<b>11,260,110.00</b>	<b>-2,612.23</b>	<b>16,875.00</b>	<b>123,000.00</b>	<b>45,031.69</b>	<b>61,906.69</b>
Money Market	AR-0001	MMKT FED - 5000638	Money Market	Open	07/01/99	165.96	165.96	165.96	0.00	0.00	1,652,560.30	0.00	0.00
	AR-0058	JPMORGAN MMKT - 00005017334	Money Market	Open	02/19/17	24,071.56	24,071.56	24,071.56	0.00	0.00	24,071.57	0.00	0.00
	AR-0059	GOLDMAN SACHS MMKT - 0188506760	Money Market	Open	02/19/17	40,018.60	40,018.60	40,018.60	0.00	0.00	40,018.58	0.00	0.00
	AR-0060	FEDERATED MMKT - 06090498885	Money Market	Open	02/19/17	24,193.70	24,193.70	24,193.70	0.00	0.00	24,193.68	0.00	0.00
	AR-0061	DREYFUS MMKT - 0616753258	Money Market	Open	02/19/17	38,246.01	38,246.01	38,246.01	0.00	0.00	38,246.03	0.00	0.00
	<b>Money Market Total</b>					<b>126,695.83</b>	<b>126,695.83</b>	<b>126,695.83</b>	<b>0.00</b>	<b>0.00</b>	<b>1,779,120.77</b>	<b>0.00</b>	<b>0.00</b>
Municipal Bond	16-0065	64971WF39	NYC TRAN FIN AUTH-SUB 1.69 02/01/21	Open	06/23/16	1,350,000.00	1,351,866.92	1,351,417.50	-6,489.58	4,999.58	74,782.49	11,407.50	15,336.75
	17-0012	555542LS6	MACON-BIBB CNTY GA 3.00 12/01/20	Open	08/01/16	425,000.00	430,434.35	429,522.00	-22,131.15	2,104.72	44,564.17	2,125.00	4,250.00
	17-0027	64990E4G9	NY DORM AUTH C-TXBL 1.10 02/15/20	Open	09/30/16	1,000,000.00	1,000,000.00	999,860.00	0.00	1,138.20	32,052.78	5,072.22	5,500.00
	17-0028	64990EEL7	NYS DORM AUTH C-TXBL 2.12 03/15/21	Open	09/30/16	2,000,000.00	2,012,625.27	2,007,380.00	-36,274.73	1,766.67	127,200.00	16,017.78	17,784.45
	17-0029	64971WN97	NY TRANSITION TXBL 1.35 08/01/20	Open	09/30/16	2,625,000.00	2,627,609.94	2,621,403.75	-17,025.06	4,162.27	101,292.19	17,718.75	18,506.25
	17-0032	597137GZ5	MIDDLETOWN OH 2.053 12/01/20	Open	10/07/16	400,000.00	401,989.49	401,364.00	-7,686.51	2,831.62	28,681.17	1,368.67	4,060.38
	17-0051	696624AV7	CA PDTDEV 2.75 10/01/22	Open	02/06/17	1,000,000.00	998,723.00	1,027,940.00	1,343.00	3,235.92	73,409.72	9,166.67	9,625.00
	17-0059	485429Y32	KANSAS ST DEV AUTH 2.608 04/15/20	Open	02/08/17	775,000.00	776,117.08	776,193.50	-15,754.67	6,344.32	60,636.00	5,951.31	12,295.63
	17-0075	041042ZV7	ARKANSAS ST 2.875 06/01/21	Open	06/09/17	800,000.00	810,981.95	813,904.00	-21,018.05	5,111.11	57,500.00	3,833.33	4,344.44
	18-0071	64966MWH8	NYC GO 2.80 03/01/22	Open	03/13/18	2,500,000.00	2,505,915.17	2,557,225.00	-5,059.83	0.00	104,500.00	29,166.67	29,166.67
	20-0012	116421D47	BROWNSVILLE TX 3.041 08/15/24	Open	08/15/23	500,000.00	523,179.98	521,100.00	-70.02	0.00	0.00	168.94	7,011.19
	20-0013	20772KFJ3	CONNECTICUT ST 0.00 03/15/25	Open	01/27/20	1,000,000.00	907,670.72	913,750.00	190.72	0.00	0.00	0.00	0.00
	20-0014	914072J38	ARKANSAS FAYETTEVILL 2.043 09/15/22	Open	01/27/20	295,000.00	297,579.60	297,109.25	-10.50	0.00	0.00	66.97	2,276.82
	<b>Municipal Bond Total</b>					<b>14,670,000.00</b>	<b>14,644,693.47</b>	<b>14,718,169.00</b>	<b>-129,986.38</b>	<b>27,094.41</b>	<b>704,618.52</b>	<b>102,063.81</b>	<b>130,157.58</b>
	<b>Investment Total</b>					<b>200,971,322.99</b>	<b>200,861,137.28</b>	<b>201,219,899.99</b>	<b>-111,128.06</b>	<b>103,111.80</b>	<b>6,250,865.66</b>	<b>292,300.07</b>	<b>389,960.63</b>

## Total Portfolio Asset Allocation as of 1/31/2020



## Investment Portfolio by Maturity as of 1/31/20

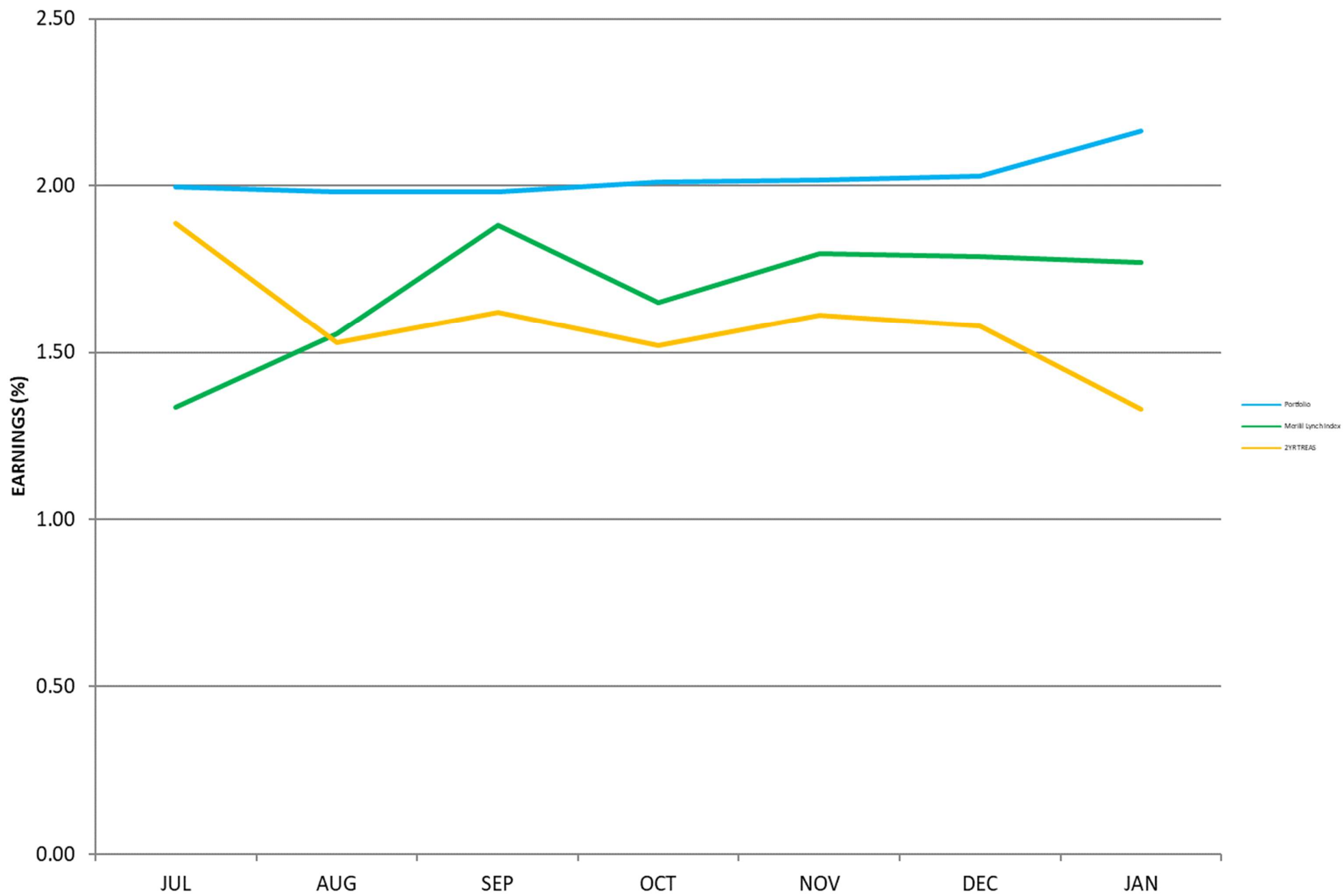


	2020	2021	2022	2023	2024	2025	\$ TOTAL
CD	2,350,000	996,000	1,240,000	496,000	1,500,000	0	6,582,000
AGENCY	0	0	1,770,758	5,894,913	6,000,000	0	13,665,671
AGENCY - CALLABLE	6,900,000	2,000,000	4,999,450	1,000,000	0	0	14,899,450
MMKT	0	0	0	0	0	0	0
MUNI	5,236,151	4,175,474	3,802,218	0	523,180	907,671	14,644,693
<b>\$ TOTAL</b>	14,486,151	7,171,474	11,812,426	7,390,913	8,023,180	907,671	49,791,814
<b>% OF TOTAL</b>	29.1%	14.4%	23.7%	14.8%	16.1%	1.8%	100.0%

# **PORTFOLIO PERFORMANCE**



## Portfolio Performance as of 1/31/20



## DATA ANALYSIS

### Metro Cash Position

Metro's overall cash position increased for the month of January despite a large amount of spending in bond funds. There was a large increase month-to-month in cash-on-hand in the amount of \$61 million, as well as an \$11 million increase in month-to-month totals for the portfolio.

Metro is in a solid position moving forward and will look to begin putting idle funds to work. Of the \$151 million in cash-on-hand, \$15 million of that has been earmarked for investment. Cash flows will continue to be evaluated to determine the best use of the remaining funds. Given the decrease in rates over recent months it may be beneficial to leave funds with the bank as the interest earned there is greater than that being earned in money market accounts and would eliminate any potential losses on sale should funds be invested long-term and capital need to be generated.

### Asset Allocation

There was activity to report for the month of January:

Purchased:	\$500,000	MUNI	3.041	8/15/24
	\$1,000,000	MUNI	0.00	3/15/25
	\$295,000	MUNI	2.043	9/15/22
	\$2,000,000	FHLB	1.64	7/22/22
	\$4,000,000	FHLMC	1.75	1/29/24
	\$1,000,000	FHLMC	1.65	1/30/23
	\$2,000,000	FHLMC	1.80	7/30/24
	<b>\$10,795,000</b>	<b>TOTAL REINVESTED</b>		

Matured:	\$250,000	CD	2.25	1/27/20
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### Maturity Distribution

The portfolio distribution is slightly different given the activity listed above for January. There is no longer a sharp decline in the later years of the portfolio, but instead, more of a plateau in 2023-2024. As previously mentioned, the \$15 million that has been earmarked for investment will be spread out amongst various years in an attempt to regain the laddered structure. Areas of focus will be those of 2021, 2023, and 2024. We will also continue to look at investments for 2025 as funds mature this year.

### Portfolio Performance

Portfolio yield increased slightly this month while the 2yr rates fell to 1.33%. Given that rates are lower as indicated by the recent purchases, it is reasonable to expect the portfolio yield to come back closer to the 2% mark that we've seen over the past year and possibly trend lower, eventually settling around 1.8-1.9% yield. This is speculative and dependent upon market offerings but given recent data appears to be a reasonable estimate moving forward.

# **ECONOMIC UPDATE**

## ECONOMIC UPDATE

The coronavirus has received a fair amount of coverage over the last few weeks but while everyone focuses on the impact to their health and well-being, there is little discussion on the economic impact that the pandemic is having. The virus that originated in China has spread far and fast resulting in several quarantined communities that have created uncertainty for the world's second largest economy. With tourism and manufacturing sectors taking a hit, just to name a few, economists had serious concerns regarding GDP projections.

The good news is that given the recent state of the health scare, GDP will not be hit as hard as initially expected. This doesn't mean that we're out of the woods though. You may remember last month that the Federal Reserve's optimistic outlook for keeping rates relatively unchanged for the majority of the year was due in part to global growth improving which was expected to help exports and offset concerns regarding the slowing pace of growth locally.

We're not to a point of revising that outlook just yet, but the Fed is taking notice. At the most recent Fed meeting, Chairman Powell was quick to note that they will be monitoring the fallout from the pandemic however, there is a "high bar" for raising or lowering rates moving forward maintaining their dovish outlook. Despite their statements, it is interesting to note that there is now increased probabilities of rate cuts albeit small probabilities. Currently, futures are projecting a 12% probability of a 25bp rate cut by March and a 36% probability of a rate cut by December 2020. These probabilities may seem small but given where the Fed was as of their previous meeting, the movement is significant.

When you consider the movement, it's interesting to consider where we stand. Demand for U.S. Treasuries has gained strength as a result of the virus as the benchmark securities have long been a safe haven for liquidity but despite their strength, surging stocks, and the tightest labor market since the 1960's, there are still numbers that are hard to explain. For example, the 10yr Treasury is currently 1.55% which is only 19bps off its historic low and that's after it traded in a range of 1.70-1.85% over the last 4 months. Add the narrowing spread between the 2 and 10yr Treasury yields which is currently at 15bps and it's no wonder why the Fed has taken a "wait and see" approach. The next FOMC meeting is scheduled for March 17<sup>th</sup> and it will be one to watch as they continue to monitor the fallout.

**Total Portfolio Shock Table**  
**Lou / Jeff Cty Metro Finance**  
Effective Interest - Actual Life  
Receipts in Period  
1/31/2020

<i><b>Data Category</b></i>	<i><b>Down 300</b></i>	<i><b>Down 200</b></i>	<i><b>Down 100</b></i>	<i><b>Current</b></i>	<i><b>Up 100</b></i>	<i><b>Up 200</b></i>	<i><b>Up 300</b></i>
Current Par	50,028,695.83	50,028,695.83	50,028,695.83	50,028,695.83	50,028,695.83	50,028,695.83	50,028,695.83
Amor. Cost	49,919,615.90	49,919,615.90	49,919,615.90	49,919,615.90	49,919,615.90	49,919,615.90	49,919,615.90
Market Value	50,127,366.83	50,177,268.83	50,227,170.83	50,277,072.83	50,326,974.83	50,376,876.83	50,426,778.83
% Change	-0.30 (0.10)	-0.20 (0.10)	-0.10 (0.10)	0.00 (0.10)	0.10 (0.10)	0.20 (0.10)	0.30 (0.10)
Market Price	100.2	100.3	100.4	100.5	100.6	100.7	100.8
Market Yield	2.2224	2.0846	1.9469	1.8096	1.6725	1.5356	1.399
Gain / Loss	207,750.93	257,652.93	307,554.93	357,456.93	407,358.93	457,260.93	507,162.93

The table above represents the interest rate risk of the investment portfolio of individual fixed incomes securities. By adjusting current market rates and by using the matrix pricing technique, the portfolio was subjected to an immediate interest rate shock of plus or minus 300 basis points. The results in weighted average total is presented above which details the projected market value, market price, total unrealized gain (loss) and percentage market value change from the current interest rate environment.